



The Commonwealth of Massachusetts

DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

NOTICE OF FILING AND REQUEST FOR COMMENTS

D.T.E. 05-66

October 11, 2005

Investigation by the Department of Telecommunications and Energy on its own motion as to the propriety of the rates and charges set forth in the following tariffs: Boston Gas Company, M.D.T.E. Nos. 101.2 through 112.2, filed on September 16, 2005, to become effective November 1, 2005.

On September 16, 2005, Boston Gas Company ("Company") submitted its second annual rate adjustment filing pursuant to the performance-based ratemaking plan ("PBR") approved by the Department of Telecommunications and Energy ("Department") in Boston Gas Company, D.T.E. 03-40 (2003). This filing was docketed as D.T.E. 05-66.

The Company proposes an increase in revenues of \$7,194,813, which amounts to a base revenue increase of 2.29 percent. The Company has requested that the proposed rates take effect on November 1, 2005. If the Department approves the Company's proposal, the proposed rates will result in:

- an increase of \$ 0.47 per month for residential gas non-heating customers using 20 therms per month in the winter season; and
- an increase of \$ 1.49 per month for residential gas heating customers using 150 therms per month in the winter season.

Bill impacts for commercial and industrial customers will vary. For specific impacts, please contact the Company as indicated below.

The Company also proposes to collect under-recoveries of gas-related bad debt expense as an exogenous cost, beginning in January 1, 2004, and until such time as the Department may allow the Company to recover the actual amount of gas-related bad debt writeoffs through the cost of gas adjustment ("CGA"). The Company proposes the following two alternatives for collection of the under-recovered bad debt expense: (1) either through its annual PBR rate adjustment filings starting in November 2005 for 2004 costs and November 2006 for 2005

costs, or (2) through the CGA starting with the peak-period reconciliation for the 2004-2005 heating season for costs from November 2004, forward (with costs from November 2003 through October 2004 to be recovered through this annual PBR rate adjustment filing).

All interested persons wishing to comment on the Company's filing must file one (1) original and seven (7) copies with Mary L. Cottrell, Secretary, Department of Telecommunications and Energy, One South Station, Boston, Massachusetts 02110. The original and all copies must be received by the Department no later than 5:00 p.m. on **Wednesday, October 19, 2005**. Reply comments are due no later than 5:00 p.m. on **Monday, October 24, 2005**. In addition, one (1) copy of all comments should be sent to the Company's attorney, Thomas O'Neill, Esq., Keyspan Energy Delivery, 52 Second Avenue Waltham, MA 02451 (telephone: (781) 466-5136).

All written comments also should be submitted to the Department in electronic format using one of the following methods: (1) by e-mail attachment to dte.efiling@state.ma.us or (2) on a 3.5" disk. The text of the e-mail or the disk label must specify: (1) the docket number of the proceeding (D.T.E. 05-66), (2) name of the person or company submitting the filing, and (3) a brief descriptive title of the document. The electronic filing should also include the name, title, and telephone phone number of a person to contact in the event of questions about the filing. Text responses should be created in either Corel WordPerfect, Microsoft Word, or as an Adobe-compatible PDF file. Data or spreadsheet responses should be compatible with Microsoft Excel. All comments submitted in electronic format will be posted on the Department's Web site: <http://www.mass.gov/dte/>.

The Company's filing is available for inspection at the Department's office during normal business hours (Monday through Friday, 9:00 a.m. to 5:00 p.m.). Any person desiring further information regarding the Company's filing should contact the Company's attorney, Thomas O'Neill, Esq., at the address or telephone number above.